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**ORIGINAL FILED**  
JUL 01 2008  
**LOS ANGELES  
SUPERIOR COURT**

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8 **SUPERIOR COURT OF CALIFORNIA**  
9 **COUNTY OF LOS ANGELES**  
10 **EAST DISTRICT**

11  
12 CATHAY BANK, a California banking  
corporation,  
13  
14 Plaintiff,  
15 v.  
16 K2DC HOLDINGS, LLC, a Maryland limited  
liability company; and DOES 1 through 100,  
17 Inclusive,  
18 Defendants.

CASE NO. KC 053283  
[Assigned to The Honorable Bruce R. Minto]  
**STIPULATED ORDER FOR THE  
APPOINTMENT OF RECEIVER AND  
PRELIMINARY INJUNCTION IN AID OF  
RECEIVER**  
Complaint File: June 30, 2008

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21 **STIPULATION**

22 IT IS HEREBY STIPULATED and agreed by Plaintiff Cathay Bank ("Plaintiff" and/or  
23 "Bank") by and through their attorneys of record Frandzel Robins Bloom & Csato, L.C. and  
24 Defendant K2DC Holdings, LLC ("Defendant"), by and through its attorney of record, Stutman,  
25 Treister & Glatt, that the Court may issue the following Stipulated Order:

26 IT IS ORDERED that Robb Evans & Associates LLC ("Receiver"), he and is hereby  
27 appointed Receiver in this action, subject to the conditions that before entering upon his duties as a  
28 Receiver, he shall take the oath and file a bond with a surety thereon approved by this Court in the

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1 sum of \$10,000 to secure the faithful performance of his duties as the receiver;

2 IT IS ORDERED that Plaintiff post a bond in the amount of \$1,500.00 pursuant to Code of  
3 Civil Procedure section 566(b), and a bond in the amount of \$1,500.00 pursuant to Code of Civil  
4 Procedure section 529.

5 The parties waive the hearing on the confirmation of the Receiver's appointment.

6 IT IS FURTHER ORDERED that the Receiver shall have the following powers and  
7 responsibilities, and shall be authorized to:

8 1. Enter onto and take possession of the business premises of Defendant  
9 K2DC Holdings, LLC ("Defendant") located at 918 Canada Street, City of Industry, California  
10 91748, and any other location from which the Defendant conducts business ("Business  
11 Premises"). The Receiver shall seize and take possession of and control all of the Bank's  
12 collateral securing Defendant's obligations to Bank, wherever located, including, but not limited  
13 to, the Defendant's accounts, accounts receivable, chattel paper, documents, instruments, money,  
14 deposit accounts, inventory, equipment and general intangibles (collectively, "Collateral"), and all  
15 of the Defendant's books and records relating thereto and all equipment containing said books and  
16 records, wherever located, as the Receiver deems necessary for the proper administration and  
17 operation of the receivership estate, but the books and records shall be made available to the  
18 Defendant as reasonably necessary.

19 2. Take any and all steps necessary to receive, collect and review all mail  
20 addressed to Defendant, including, but not limited to, mail addressed to each and every one of  
21 their Business Premises, and any post office boxes held in the name of Defendant, and at the  
22 Receiver's discretion, he is authorized to instruct the United States Postmaster to reroute, hold,  
23 and/or release said mail to said Receiver. Mail reviewed by the Receiver in the performance of his  
24 duties will promptly be made available for inspection to the Defendant after review by the  
25 Receiver.

26 3. Demand, collect and receive all monies, funds and payments arising from  
27 the business operations of Defendant and/or the Bank's Collateral.

28 4. Take possession of all bank accounts of the Defendant wherever located and

1 receive possession of any money on deposit in said bank accounts, and the receipt by the Receiver  
2 for said funds shall discharge said bank from further responsibility for accounting to said account  
3 holder for funds for which the Receiver shall give his receipt.

4 5. Establish bank accounts at any bank the Receiver deems appropriate for the  
5 deposit of monies and funds collected and received in connection with his administration of the  
6 receivership estate, provided that all funds on deposit are insured by an agency of the United  
7 States government.

8 6. Execute and prepare all documents and perform all acts, either in the name  
9 of the Defendant, as it is applicable, or in the Receiver's own name, which are necessary or  
10 incidental to preserving, protecting, managing and controlling the Collateral.

11 7. In the Receiver's discretion and business judgment, contact each of the  
12 accounts receivable debtors of Defendant in order to advise them not to send further accounts  
13 receivable payments to Defendant and instruct the accounts receivable debtors to send any and all  
14 payments directly to the Receiver, and no person shall withhold property or services from the  
15 Receiver, or offset or attempt to offset any debts claimed to be owed by Defendant.

16 8. Compromise debts of the business and to do all things and to incur the risks  
17 and obligations of similar businesses and enterprises and that no risk or obligation incurred by the  
18 Receiver shall be at the personal risk or obligation of the Receiver, but shall be the risk or  
19 obligation of the receivership estate.

20 9. Employ servants, agents, employees, accountants and attorneys to  
21 administer the receivership estate and protect the Collateral as he shall deem it necessary. The  
22 Receiver shall pay the reasonable value of said services out of the proceeds of the property of this  
23 Receivership estate. No risk or obligation incurred by said Receiver shall be the personal risk or  
24 obligation of the Receiver, but shall be the risk or obligation of the Receivership estate.

25 10. To purchase materials, supplies and services and to pay therefore at the  
26 usual rate and prices out of funds that shall come into his possession; to pay the reasonable value  
27 of said services out of the proceeds of the estate; and that no risk or obligation incurred by said  
28 Receiver shall be at personal risk or obligation of the Receiver, but shall be the risk or obligation

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1 of the Receivership estate.

2 11. The Receiver is not required to comply with section 568.5 of the California  
3 Code of Civil Procedure regarding the Receiver's sale of personal property in the ordinary course  
4 of Defendant's business, and may conclude a sale of all or any portion of the Collateral out of the  
5 ordinary course of business if, unless the parties hereto all agree otherwise, the Receiver has given  
6 five (5) days prior written notice of such sale to the parties hereto and no party has objected in  
7 writing and demanded a hearing with respect to any such sale.

8 12. If there is insufficient insurance coverage on the Collateral, it is hereby  
9 ordered that the Receiver shall have thirty (30) business days to procure said insurance on the  
10 Collateral, provided the Receiver has funds available to do so, and during said period, said  
11 Receiver shall not be personally responsible for claims arising or for the procurement of insurance.

12 13. The Receiver shall institute ancillary proceedings in this State or other  
13 States as is necessary to obtain possession and control of the Collateral, and the Receiver may  
14 engage the services of counsel if necessary. The Receiver may pay for such services from the  
15 funds of the Receivership estate.

16 14. To the extent feasible, the Receiver shall, within thirty (30) days of his  
17 qualification hereunder, file an inventory of all property of which he shall have taken possession  
18 pursuant to this Order and shall file periodic accounting(s) thereafter.

19 15. Prepare periodic interim statements reflecting the Receiver's fees and  
20 administrative costs and expenses incurred for said period in the operation and administration of  
21 the receivership estate. Upon completion of an interim statement, and the mailing of said  
22 statement to the parties' respective attorneys of record or any other designated personal agent, the  
23 Receiver shall pay from the estate funds, if any, the amount of the Receiver's fees in said  
24 statement. Despite the periodic statement of Receiver's fees and administrative expenses, such  
25 fees and expenses shall be submitted to the Court for its approval and confirmation, in the form of  
26 either a noticed interim request for fees or Receiver's final account and report.

27 16. The Receiver, or any party to this action, may from time to time, and on due  
28 notice to all parties, make application to this Court for further orders instructing said Receiver.

1 TEMPORARY RESTRAINING ORDER

2 1. Defendant and its officers, directors, agents, servants, and employees, and all  
3 persons or entities acting under, or in concert with it, or for it, are ordered to do the following and  
4 are restrained and enjoined from engaging in, or performing, directly or indirectly, any or all of the  
5 following acts:

6 a. Interfering, hindering or molesting in any way whatsoever the  
7 Receiver in the performance of the Receiver's duties herein described and in the performance of  
8 any duties incident thereto;

9 b. Failing or refusing to immediately turn over to the Receiver all  
10 premises from which the Defendant conducts business; and

11 c. Transferring, directly or indirectly, any interest by sale, pledge,  
12 grant of security interest, assignment, invoice or encumbering in any manner the Collateral, and all  
13 proceeds and products thereof;

14 d. Moving the physical location of the Collateral without the written  
15 consent of the Receiver;

16 e. Transferring, concealing, destroying, defacing or altering any of the  
17 Defendant's books and records;

18 f. Diverting in any way any of the proceeds from the accounts  
19 receivable and/or inventory;

20 g. Causing any mail to be forwarded to any address other than the  
21 Business Premises and any other existing post office box in the name of the Defendant or  
22 otherwise interfering with or intercepting any mail intended for the Defendant;

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1 h. Failing or refusing to immediately turn over to Receiver all monies, checks, funds  
2 or proceeds relating to the Bank's Collateral, and failing to make available to the Receiver all  
3 books and records relating to the Collateral.

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5 Dated: June 30, 2008

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL GERARD FLETCHER  
BRUCE D. POLTROCK

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8 By:   
MICHAEL GERARD FLETCHER  
Attorneys for Plaintiff, CATHAY BANK

9  
10 Dated: June 19, 2008

STUTMAN, TREISTER & GLATT

11 By:   
12  
13 Attorneys for Defendant K2DC HOLDINGS, LLC

14 ORDER

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16 IT IS SO ORDERED.

17 Dated: 7-1-08

18 **K. BRUCE MINTO**  
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JUDGE OF THE SUPERIOR COURT

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